

AMENDED IN SENATE APRIL 9, 2012

**SENATE BILL**

**No. 1232**

---

**Introduced by Senator Walters**

February 23, 2012

---

An act to amend Section ~~20098~~ 31870.8 of the Government Code, relating to *county employees'* retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1232, as amended, Walters. ~~Retirement.~~ *County employees' retirement: cost-of-living adjustments.*

*Existing law, the County Employees Retirement Law of 1937, authorizes counties to establish retirement systems for county employees, authorizes counties to establish a board of retirement, and authorizes the board of retirement to provide cost-of-living adjustments.*

*This bill would provide, except as specified, that a person who first becomes a member of the Orange County Employees Retirement System on or after January 1, 2013, shall not be eligible to receive an annual cost-of-living increase, as specified, until at least 12 months from the date of that member's retirement and the member is only eligible to receive an adjustment based on the preceding 12 months. The bill provides that the operation of these provisions is contingent upon the Orange County Board of Supervisors adopting a resolution making those provisions applicable in that county, as specified.*

~~The Public Employees' Retirement Law (PERL) vests the management and control of the Public Employees' Retirement System (PERS) in the Board of Administration of PERS. PERL requires the board to appoint and fix the compensation of an executive officer, a general counsel, a chief actuary, a chief investment officer, and other investment officers and portfolio managers, as specified. PERL also~~

~~requires the board to be guided by specified principles when fixing those compensations.~~

~~This bill would make technical, nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 31870.8 is added to the Government Code,  
2     to read:

3     31870.8. (a) Notwithstanding Sections 31870, 31870.1, and  
4     31870.2, a person who first becomes a member on or after January  
5     1, 2013, shall not be eligible to receive an annual cost-of-living  
6     increase pursuant to any of those sections until at least 12 months  
7     from the date of that member's retirement and the member is only  
8     eligible to receive an adjustment based on the preceding 12 months.

9     (b) This section shall be applicable to members who retire on  
10    or after the effective date of the resolution described in subdivision  
11    (a).

12    (c) This section shall only apply to members who have been  
13    employees or officials of Orange County, with respect to the  
14    portion of their allowance attributable to that service, and does  
15    not apply to any portion of an allowance attributable to a member's  
16    service as an employee or official of any other district or entity  
17    within or outside of the Orange County Employees Retirement  
18    System.

19    (d) This section shall not become operative until the Orange  
20    County Board of Supervisors, by resolution adopted by a majority  
21    vote, makes the provisions of this section applicable in that county.

22    SECTION 1. ~~Section 20098 of the Government Code is~~  
23    ~~amended to read:~~

24    20098. (a) ~~The board shall appoint and, notwithstanding~~  
25    ~~Sections 19816, 19825, 19826, 19829, and 19832, shall fix the~~  
26    ~~compensation of an executive officer, a general counsel, a chief~~  
27    ~~actuary, a chief investment officer, a chief financial officer, and~~  
28    ~~other investment officers and portfolio managers whose positions~~  
29    ~~are designated managerial pursuant to Section 18801.1.~~

30    ~~(b) The executive officer, deputy executive officers, and the~~  
31    ~~assistant executive officers may administer oaths.~~

1     ~~(c) When fixing the compensation for the positions specified in~~  
2 ~~subdivision (a), the board shall be guided by the principles~~  
3 ~~contained in Sections 19826 and 19829, consistent with its~~  
4 ~~fiduciary responsibility to its members to recruit and retain highly~~  
5 ~~qualified and effective employees for those positions.~~

6     ~~(d) When a position specified in subdivision (a) is filled through~~  
7 ~~a general civil service appointment, it shall be filled from an~~  
8 ~~eligible list based on an examination that was held on an open~~  
9 ~~basis, and tenure in the position shall be subject to the provisions~~  
10 ~~of Article 2 (commencing with Section 19590) of Chapter 7 of~~  
11 ~~Part 2 of Division 5 of Title 2. In addition to the causes for action~~  
12 ~~specified in that article, the board may take action under the article~~  
13 ~~for causes related to its fiduciary responsibility to its members,~~  
14 ~~including the employee's failure to meet specified performance~~  
15 ~~objectives.~~

16     ~~(e) An individual who held a position designated in subdivision~~  
17 ~~(a), or was a member of the board, a deputy executive officer, or~~  
18 ~~an assistant executive officer, shall not, for a period of two years~~  
19 ~~after leaving that position, for compensation, act as agent or~~  
20 ~~attorney for, or otherwise represent, any other person, except the~~  
21 ~~state, by making any formal or informal appearance before, or any~~  
22 ~~oral or written communication to, the Public Employees'~~  
23 ~~Retirement System, or any officer or employee thereof, if the~~  
24 ~~appearance or communication is made for the purpose of~~  
25 ~~influencing administrative or legislative action or any action or~~  
26 ~~proceeding involving the issuance, amendment, awarding, or~~  
27 ~~revocation of a permit, license, grant, contract, or sale or purchase~~  
28 ~~of goods or property.~~